

109TH CONGRESS  
2D SESSION

# S. 3727

To amend title XVIII of the Social Security Act to provide for an adjustment to the reduction of Medicare resident positions based on settled cost reports.

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IN THE SENATE OF THE UNITED STATES

JULY 25, 2006

Mr. KOHL introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to provide for an adjustment to the reduction of Medicare resident positions based on settled cost reports.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Medicare Residency  
5       Program Fairness Act of 2006”.

6       **SEC. 2. ADJUSTMENT TO THE REDUCTION OF MEDICARE**  
7                       **RESIDENT POSITIONS BASED ON SETTLED**  
8                       **COST REPORTS.**

9       (a) IN GENERAL.—Section 1886(h)(7) of the Social  
10      Security Act (42 U.S.C. 1395ww(h)(7)) is amended—

1           (1) by redesignating subparagraph (D) as sub-  
2       paragraph (E); and

3           (2) by adding at the end the following new sub-  
4       paragraph:

5           “(D) ADJUSTMENT BASED ON SETTLED  
6       COST REPORT FOR RURAL AND SMALL URBAN  
7       HOSPITALS.—In the case of a hospital located  
8       in a rural area (as defined in subsection  
9       (d)(2)(D)) or in an urban area that is not a  
10      large urban area (as so defined) for which—

11           “(i) the otherwise applicable resident  
12      limit was reduced under subparagraph  
13      (A)(i)(I); and

14           “(ii) such reduction was based on a  
15      reference resident level that was deter-  
16      mined using a cost report that was subse-  
17      quently settled, whether as a result of an  
18      appeal or otherwise, and the reference resi-  
19      dent level under such settled cost report is  
20      higher than the level used for the reduction  
21      under subparagraph (A)(i)(I);

22      the Secretary shall apply subparagraph  
23      (A)(i)(I) using the higher resident reference  
24      level and make any necessary adjustments to  
25      the reduction described in subclause (II). Any

1           such necessary adjustments shall be effective  
2           for portions of cost reporting periods occurring  
3           on or after July 1, 2005.”.

4       (b) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect as if included in the enact-  
6 ment of section 422 of the Medicare Prescription Drug,  
7 Improvement, and Modernization Act of 2003 (Public Law  
8 108–173).

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